



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 04-29, New Jersey State Income Tax Withholding

Date: October 1, 2004

To: Holders of TAXES (State of New Jersey only)  
Personnel User Groups  
T&A Contact Points in New Jersey

Beginning with wages paid for Pay Period 20, the National Finance Center (NFC) will change the withholding tables for New Jersey state income tax withholdings.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to the NFC Home Page ([www.nfc.usda.gov](http://www.nfc.usda.gov)) and click **Pubs & Forms**. Then on the Pubs & Forms page left-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "►◄".

For questions about NFC processing, contact the Payroll Operations Branch at **504-255-4630**. Please refer questions about system access and other system-related issues to Customer Support at **504-255-5230** or via e-mail at [customer.support@usda.gov](mailto:customer.support@usda.gov).

RANDOLPH H. GONZALES Acting Director  
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# New Jersey State Income Tax Information

**State Abbreviation:** NJ  
**State Tax Withholding State Code:** 34  
**Acceptable Exemption Form:** NJ-W4  
**Basis For Withholding:** State or Federal Exemptions  
**Acceptable Exemption Data:** S, M, C, D, E /Number of Exemptions  
**TSP Deferred:** No

**Special Coding:** Determine the Total Number Of Allowances field as follows:

First Position -

**If Item 3 of the NJ-W4  
Contains:**

**Enter:**

A	S
B	M
C	C
D	D
E	E

**If Item 3 of the NJ-W4 is  
Blank and if the Status on  
Line 2 Is:**

**Enter:**

Single	S
Married Joint	M
Married Separate	S
Head of Household	M
Surviving Spouse	M

Second and Third Positions - Enter the total number of exemptions claimed in Item 4 of the NJ-W4. If less than 10, precede with a zero.

**Additional Information:** If a state income tax certificate has not been processed or if a valid state exemption code is not present, the Federal exemptions will be used in the computation of state tax.

## Withholding Formula ►(Effective Pay Period 20, 2004)◄

1. Multiply the gross biweekly wages by 26 to obtain the annual wages.
2. Determine the exemption allowance by applying the following guideline and subtract this amount from the annual wages to compute the taxable income.

$$\text{Exemption Allowance} = \$1,000 \times \text{Number of Exemptions}$$

3. Apply the taxable income computed in step 2 to the following table to determine the New Jersey tax withholding.

**Tax Withholding Table**  
**Single or Married - Filing Separately**  
**(Rate Table A)**

If the Amount of Taxable Income Is:		The Amount of New Jersey Tax Withholding Should Be:		
Over:	But Not Over:	Of Excess Over:		
\$ 0	\$ 20,000	\$ 0	plus 1.5%	\$ 0
20,000	35,000	300	plus 2.0%	20,000
35,000	40,000	600	plus 3.9%	35,000
40,000	75,000	795	plus 6.1%	40,000
▶ 75,000	500,000	2,930	plus 7.0%	75,000
500,000	and over	32,680	plus 12.0%	500,000 ◀

**Married - Filing Jointly or Head of Household**  
**or**  
**Surviving Spouse**  
**(Rate Table B)**

If the Amount of Taxable Income Is:		The Amount of New Jersey Tax Withholding Should Be:		
Over:	But Not Over:	Of Excess Over:		
\$ 0	20,000	\$ 0	plus 1.5%	\$ 0
20,000	50,000	300	plus 2.0%	20,000
50,000	70,000	900	plus 2.7%	50,000
70,000	80,000	1,440	plus 3.9%	70,000
80,000	150,000	1,830	plus 6.1%	80,000
▶ 150,000	500,000	6,100	plus 7.0%	150,000
500,000	and over	30,600	plus 12.0%	500,000 ◀

**Optional Rate Table C**

If the Amount of Taxable Income Is:		The Amount of New Jersey Tax Withholding Should Be:		
Over:	But Not Over:	Of Excess Over:		
\$ 0	\$ 20,000	\$ 0	plus 1.5%	\$ 0
20,000	40,000	300	plus 2.3%	20,000
40,000	50,000	760	plus 2.8%	40,000
50,000	60,000	1,040	plus 3.5%	50,000
60,000	150,000	1,390	plus 5.6%	60,000
▶ 150,000	500,000	6,430	plus 6.6%	150,000
500,000	and over	29,530	plus 12.0%	500,000 ◀

**Optional Rate Table D****If the Amount of  
Taxable Income Is:****The Amount of New Jersey  
Tax Withholding Should Be:**

<b>Over:</b>	<b>But Not Over:</b>
\$ 0	\$ 20,000
20,000	40,000
40,000	50,000
50,000	60,000
60,000	150,000
▶ 150,000	500,000
500,000	and over

		<b>Of Excess Over:</b>
\$ 0	plus 1.5%	\$ 0
300	plus 2.7%	20,000
840	plus 3.4%	40,000
1,180	plus 4.3%	50,000
1,610	plus 5.6%	60,000
6,650	plus 6.5%	150,000
29,400	plus 12.0%	500,000 ◀

**Optional Rate Table E****If the Amount of  
Taxable Income Is:****The Amount of New Jersey  
Tax Withholding Should Be:**

<b>Over:</b>	<b>But Not Over:</b>
\$ 0	\$ 20,000
20,000	35,000
35,000	100,000
▶ 100,000	500,000
500,000	and over

		<b>Of Excess Over:</b>
\$ 0	plus 1.5%	\$ 0
300	plus 2.0%	20,000
600	plus 5.8%	35,000
4,370	plus 6.5%	100,000
30,370	plus 12.0%	500,000 ◀

4. Divide the annual New Jersey tax withholding by 26 to obtain the biweekly New Jersey tax withholding.